

**Statement of  
Michael Braun  
Chief of Operations  
Drug Enforcement Administration  
Before the  
House Government Reform Committee  
Subcommittee on Criminal Justice, Drug Policy and Human Resources**

**Regarding  
“Transit Zone Operations: Can We Sustain Record Seizures With  
Declining Resources?”**

Good afternoon, Chairman Souder, Ranking Member Cummings, and distinguished members of the subcommittee. On behalf of the Drug Enforcement Administration's (DEA) Administrator Karen P. Tandy, I want to thank you for your continued support of the men and women of DEA, as well as the opportunity to testify on our enforcement efforts throughout the transit zone and how DEA continually adapts to the increasingly complex challenges we face in the region.

My testimony today will focus on the Central America region of the transit zone, where a vast majority of the cocaine destined for the United States transits, and I will discuss DEA's enforcement strategy as well as our bilateral initiatives with our Latin American counterparts.

The United States is finding smarter and better ways to leverage its resources to continue to address important -- and inter-connected -- priorities such as our drug interdiction program in the Western Hemisphere and other types of global threats. The good news is that, today we know more about how drug trafficking organizations operate. We are able to work more effectively, work smarter, and interdict more. Governments throughout Latin America, who in the past may have been reluctant to work with us, are now asking for more assistance and collaboration.

Today, we have better intelligence and better interagency coordination to act on this intelligence. We have been able to develop, and continue to expand upon a “defense in-depth” strategy. The DEA's strategic deployment of approximately 38 percent of our foreign workforce to Latin America demonstrates the importance of the region and how our agency continually adapts to the increasingly complex challenges we face in the Transit Zone.

We believe that to effectively combat drug trafficking in Central America and the transit zone, the United States must maintain a sustained, multi-agency approach. The DEA focuses on improving the region's counter drug capabilities through developing

personal liaisons with host nation law enforcement authorities, institution building with host nation governments, conducting bilateral investigations, and by attacking the command and control structures of major drug trafficking organizations. In April 2005, the DEA proposed to the counter-narcotics community and has taken the lead in implementing a multi-agency International Drug Flow Prevention Strategy (IDFPS) designed to significantly disrupt the movement of drugs, money and chemicals between source zones and the United States.

### **Challenges in Central America**

Mexico and countries in Central America lie directly between the traditional drug producing countries in South America and drug consumers in the United States. Geographically, these nations provide a natural conduit for illicit drug trafficking organizations that threaten our national security through not only their trafficking activities, but also their corrupting influence on governments throughout the region. This region will remain the primary transit zone for U.S.-bound drugs produced in Mexico and South America for the foreseeable future and the billions of dollars that flow back to the drug trafficking syndicates.

All seven Central American countries are actively used by major trafficking organizations to smuggle drugs and money between South America and the United States. With few exceptions (notably Costa Rica and Panama), the countries in Central America are ill-equipped to handle the threat of drug trafficking. Weak economies, and fragile institutions can further exacerbate the challenges. Police and other drug enforcement agencies are often under-funded and receive inadequate training. Consequently, some officials are susceptible to the substantial bribes that drug traffickers can offer. The corrupting power of illicit drug trafficking organizations on the governmental institutions of Central America significantly increases the difficulties of mounting successful drug enforcement and interdiction efforts.

Complicating this picture is the increased involvement by major Mexican and Colombian drug trafficking organizations in Central America. These powerful organizations rely on the hallmarks of organized crime to carry out their operations, namely, corruption, intimidation, and violence. Both South American and Mexican drug trafficking organizations are linking up with host-country transportation organizations that are highly compartmentalized, so that if one member is arrested, or one cell is dismantled, the operation as a whole is not compromised. Traffickers also use the latest technology such as cellular and satellite phones, text messaging, HF/UHF/VHF radio communications, global positioning systems and voice-over-internet protocol. The rapid expansion of secure communications provides additional challenges to law enforcement.

### **Challenges in the Eastern Pacific and Caribbean**

The Eastern Pacific (EPAC) and the Western Caribbean present unique challenges to detection and monitoring: the EPAC due to its vast size, and the Western Caribbean because of the relatively short transit for smuggling events, particularly those using go-

fast boats, and the fact that many occur in or near the territorial waters of the surrounding countries.

The DEA Special Agents and Intelligence Analysts assigned to Central American offices work with host country anti-narcotics agents in developing enforcement operations against those drug trafficking organizations with ties to the United States. In order to conduct these operations, the DEA works jointly with and relies heavily on U.S. resources provided by the Department of Defense (DOD) and the Customs and Border Protection, (CBP), Department of Homeland Security (DHS).

Within the past ten years, there has been a decline in U.S. Government counter-narcotics assets in Guatemala as the air threat shifted to an overwhelmingly maritime threat. Previous Guatemalan Administrations, which were riddled with corruption scandals, responded by gutting the Guatemalan military units that had worked effectively in-country.

Evidence began to appear in 2003/2004 that cocaine traffickers might be returning to trafficking flights through Central America and into southern Mexico, mainly because of an increase in the number of unidentified but assumed suspect Relocatable Over the Horizon Radar (ROTHR) tracks fading into that region. Although in the second half of 2004 the number of unidentified but assumed suspect tracks dropped markedly; in 2005, there were 128 unidentified but assumed suspect tracks, an increase over the 2004 level. The U.S. continues to monitor the situation, but traffickers still utilize maritime for more than 90 percent of the documented cocaine flow moving toward the United States.

Aerial photographs provided by the DEA and other U.S. assets reveal an “aircraft graveyard” in the northern Peten area of Guatemala. These photos demonstrate that drug traffickers are successfully flying drug shipments into the area; the area represents the final destination for many of these drug laden aircraft, which are either damaged on landing or are intentionally destroyed by the organizations. The area also provides the traffickers with logistical advantage over host country anti-narcotics police through a quick egress from Guatemala into Mexico via unpaved and unmonitored roadways. Because the Guatemalan government lacks helicopters to transport law enforcement or military personnel into this and other remote areas, there is no end game capability. Recently, the Guatemalan Government established an interagency task force to destroy clandestine airstrips in the national park areas of the Peten, but these strips can be quickly reconstituted.

El Salvador, Nicaragua, Honduras, Guatemala and Panama each maintain a small naval contingent with limited resources available for counter drug operations. The Coast Guard assets in Belize and Costa Rica face the same resource challenges as the other Central American countries. Furthermore, the maritime assets of these countries depend on DEA’s reimbursement for fuel and other operational costs in order to conduct operations.

Mobile Inspection Teams (MITs) have been established in each of the Central American countries. These are specialized units trained in identifying false compartments within conveyances, as well as interview techniques, and rapid deployment. The MITs are limited in their ability to travel throughout the country due to lack of fuel, subsistence and aircraft capable of moving them quickly into remote areas when a smuggling event is known to have taken place. This has relegated them to one, possibly two, ports of entry leading in and out of their country. Specific overland operations requested by the DEA can occur only if funding is provided by the Bureau of International Narcotics and Law Enforcement Affairs (INL) of the Department of State or the DEA.

### **Working Smarter**

According to the Office of National Drug Control Policy's Interagency Cocaine Movement Assessment (IACM), the majority of cocaine destined for the United States transits the Mexico/Central America corridor, as opposed to the Caribbean corridor. The IACM's preliminary numbers for 2005 indicate an estimated 91 percent of the cocaine destined for the United States transited this corridor which includes the maritime routes in the Western Caribbean and Eastern Pacific. These numbers have remained fairly constant for the last several years.

There is no comparison between the typical size of seizures that occur on the Southwest border of the United States and the ones encountered in the Transit Zone. Along the Southwest border, seizures are most always under 50 kilograms, usually around 20 kilograms. In the Transit Zone and the Eastern and Western Pacific corridor, seizures are often multi-ton in size. The DEA is committed to attacking those drug trafficking organizations operating within Central America and recognizes that interagency cooperation and coordination are fundamental to increase the efficiency of our operations in the transit zone. To combat this level of drug smuggling, the DEA strongly believes we must take an offensive approach to prevent the bulk drug shipments from moving further into the transportation chain where fragmentation occurs, in most instances on the Mexican side of the Southwest border. Accordingly, DEA's efforts are focused on stopping the drugs before they get to Mexico, reflecting defense in-depth.

In response to the President's National Control Strategy calling for market disruption by attacking the flow of drugs, the DEA is working closely with JIATF-South and the inter-agency community developed and is implementing a multi-faceted and multi-agency International Drug Flow Prevention Strategy (IDFPS). This enforcement effort is based on gathering, compiling and analyzing intelligence from multiple participating agencies including the Department of Defense, the U.S. Coast Guard, Customs and Border Protection, the National Security Agency, the Central Intelligence Agency, the Defense Intelligence Agency, the Federal Bureau of Investigation, JIATF-S, and host national law enforcement and military counterparts from Colombia, Ecuador, Panama, Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala, Belize and Mexico.

The three pillars supporting this strategy are: (1) intelligence-driven enforcement, (2) innovative, well-planned and coordinated multi-agency operations incorporating sequential planning processes based on predictive intelligence, and (3) leveraging of all intelligence and operational assets available through the multi-agencies, including the U.S. military and Intelligence Community. Since this is a multi-agency strategy, all available resources and assets have been brought to bear in response to credible intelligence queries. By concentrating law enforcement efforts in the Central America corridor, bulk drug shipments, typically multi-ton in quantity, could be interdicted before they reach Mexico, where the drugs are normally broken down into smaller quantities for transshipment north.

In order to maximize the effectiveness of U.S. resources in the transit zone, well-coordinated, interagency efforts are crucial to the achievement of our objectives and the effectiveness of the IDFPS. I am proud to say that this strategy has been proven effective, and is one of the key factors responsible for the successful seizures we had in the past year.

The bottom line is that even the greatest intelligence in the world is ineffective if there are no response capabilities to carry out the end game. DEA agents and analysts in Central America tell us that the drug traffickers are highly attuned to the actions of law enforcement, are procedurally experienced and extremely adept. For example, in air smuggling operations, the traffickers are working faster than ever, and within 7-10 minutes of the landing the drugs are off-loaded and moved out, whether that occurs on a remote beach or on an airstrip. Because of the speed of these off-load operations, even if the authorities can respond, only some of the load is seized. We must have good intelligence and pre-positioned assets to respond to that kind of threat because of the speed at which these air and maritime smuggling operations conclude. Timely coordination with multi-agencies and our host country counterparts is critical to the success of our enforcement operations.

### **Current DEA Operations**

#### ***Operation All Inclusive***

The first initiative developed under the auspices of the IDFPS (*International Drug Flow Prevention Strategy*) is Operation All Inclusive (OAI), which targets the Eastern Pacific (EPAC) and West Caribbean transit zones of Central America and Mexico and also includes the land mass of the isthmus. OAI attacked the drug trade's main arteries and support infrastructure in Central America with innovative, multi-faceted and intelligence driven operations. The Intelligence Community, The Department of Defense, other U.S. government agencies and host nation law enforcement and military supported both operational and intelligence aspects of this operation. Due to the enormous volume of illicit drugs and money moving within this region, this operation targeted four areas in the movement of drugs and monies: maritime, overland, commercial air and private air smuggling.

The initial implementation of Operation All Inclusive (OAI 2005-1) was a resounding success and proved it was a strategy that can and will have a significant impact on drug trafficking organizations and operations. While I cannot get into specific details of this operation in an open environment, intelligence clearly identified the disruption of maritime, air and overland and smuggling. The following are a few examples of our successes:

- Largest cocaine seizure in Belize – Over 2,300 kilograms
- Largest currency seizure in Nicaragua - \$1.2 million
- Significant currency and cocaine seizure in Panama – 3.9 metric tons and over \$5.7 million
- Significant marijuana seizure as a result of a Mexico road interdiction operation – 21 metric tons
- Over 40 metric tons of cocaine seized during this operation.

The second phase of this initiative, Operation All-Inclusive 2006-1 (OAI 2006-1) built upon some of the lessons learned in 2005 and has proven similarly successful. We have also seen an expansion of the participants including the first time participation of the Governments of Colombia and Ecuador. This is particularly significant because of the increasing use by drug trafficking organizations of Ecuadorian boat crews, and the high number of maritime departure points from both countries. Some of the successes for OAI 2006-1 are:

- Over 38 metric tons of cocaine seized
- Over 13 metric tons of marijuana seized
- The seizure of 58 kilograms of heroin (South American and Mexican origin)
- In Colombia, 10 cocaine processing laboratories were dismantled and 75 tons of precursor chemicals were seized.
- Also in Colombia, many of the smaller cocaine seizures (10 kilograms or less) at the airports and from parcel interdictions were destined for Spain.
- Seizure of 5.6 tons of cocaine in Mexico from a DC-9 that originated in Venezuela. This seizure is one of the largest in recent history in Mexico, and may be a sign that interagency coordination efforts with our counterparts such as JIATF-South and the U.S. Coast Guard are forcing traffickers out of the waters and back into the air.

Throughout these initiatives, the participating agencies and the DEA offices in the Western Hemisphere provided immediate feedback through investigative means regarding the reactions that traffickers made in response to our enforcement operations.

We know from both OAI initiatives, traffickers reacted to the actions of law enforcement either through sources or through simple observation and adjusted their operations accordingly. During the course of both OAI initiatives, DEA was able to determine through intelligence sources that traffickers postponed or canceled their

operations, modified their methods of conveyance, varied smuggling routes, and jettisoned loads as a result of the our enforcement efforts.

I don't want to leave you with the impression that everything worked perfectly for OAI. The DEA identified several vulnerabilities in both phases of OAI. Corruption within host nation governments, law enforcement and military was prevalent and in some instances, led to the DTOs becoming immediately aware of any ongoing law enforcement operations. The DTOs would often employ "scouts" along the highways to look for police checkpoints and postpone operations until they felt it was safe to operate. In addition, successful operations were also hampered because of the host nation's lack of land interdiction assets, such as personnel, checkpoint stations, drug detection dogs and fuel availability for air and maritime operations, and helicopters that could quickly move law enforcement into the fight. Those issues continue to be a problem today, and there are problems maintaining the mechanical readiness of host country ships and aircrafts. Despite these difficulties, DEA considers the OAI a successful operation, and further deployments are anticipated in the region. This operation demonstrated what can be accomplished through strong multi-agency level information sharing and will serve as a foundation to build further cooperative relationships throughout the region. Furthermore, I have to say that some of this would not have been possible without the outstanding support and coordination of assets by JIATF-South.

### ***Operation Panama Express***

Operation Panama Express (PANEX) is an interagency "Organized Crime Drug Enforcement Task Force" comprised of agents and analysts from DEA, FBI, ICE and the Coast Guard engaged in long-term investigations targeting the highest levels of traffickers responsible for the financing, production, transportation and distribution of cocaine throughout North America and Europe. PANEX became a proactive investigation in January of 2000. Since that time, this operation has continued to expand by obtaining the intelligence necessary to effect the interdictions of vessels operated by cocaine smuggling organizations. The following are arrest and seizure statistics for Operation Panama Express for fiscal years (FY) 2003 through 2006. The seizure amounts include shipments that were scuttled.

- FY 2003 - arrests - 216; seizures - 63,000 kgs
- FY 2004 - arrests - 261; seizures - 110,109 kgs
- FY 2005 - arrests - 310; seizures - 130,508 kgs
- FY 2006 - arrests - 103; seizures - 62,794 kgs  
(thru 04/01/06)

There have been approximately 225 interdictions credited to Operation Panama Express since its inception in 2000.

## ***Operation Firewall***

The north coast of Colombia is a major embarkation zone for go-fast vessels laden with multi-ton quantities of cocaine destined for the United States via the Caribbean and Central America. It is estimated that several hundred go-fast boats leave the Colombian north coast annually and each go-fast has the capability to transport between 1.5 and 2 metric tons of cocaine. To combat this situation, the DEA Cartagena Resident Office, in conjunction with the Cartagena Tactical Analysis Team and JIATF-S, developed a maritime interdiction program on the Colombian north coast called Operation Firewall. This program works in tandem with Panama Express and other maritime initiatives to target and maximize interdiction capabilities against Consolidated Priority Organization Targets (CPOTS), as well as Colombian transportation organizations operating in the Caribbean.

Since the inception of Operation Firewall in July of 2003, and through December 2005, the program has resulted in the seizure of more than 29.2 metric tons of cocaine.

### ***Recent Progress in the Region***

#### **Colombia**

DEA works closely with host nation counterparts to aggressively pursue, apprehend and extradite the senior leadership of Consolidated Priority Organization Targets (CPOTs) to the United States. The leaders of the most significant international Drug Trafficking Organizations (DTOs) threatening the United States have been identified on the Consolidated Priority Organization Target (CPOT) list. Today, 38 of the 44 organizations on the CPOT list are based in Latin America and 17 are based in Colombia.

Through close cooperation with the Colombian government, we continue to make great strides against the Revolutionary Armed Force of Colombia (FARC). The FARC continues to use the drug trade as its major financing source. The recent Federal indictment which was handed down on March 1, 2006, in the United States District Court for the District of Columbia, naming 50 leaders of the FARC as defendants clearly demonstrates the progress we have made. Three of those charged are presently in custody in Colombia, and the United States will seek extradition of these individuals. In addition, the United States Department of State has also offered rewards ranging from \$5 million each for the top seven leaders, to \$2.5 million each for 17 of the second-tier leaders, for information leading to their capture. It is well-documented by DEA that individual FARC fronts are involved in multiple levels of the drug trade, ranging from coca cultivation and cocaine production, to taxation and providing security at processing laboratories and clandestine airstrips, to cocaine distribution and transportation. This indictment is the first of its kind, where the entire leadership of a Foreign Terrorist Organization was shown to be involved in narcotics distribution to the U.S. and further demonstrates DEA's resolve to combat narcotics distribution at the source and to contribute significantly to our Nation's war on terrorism.



## **Guatemala**

In June, 2005, I traveled to Guatemala and met with President Oscar J. Berger where I communicated the DEA's support for Guatemala's legal reform. President Berger concurred with the need for a vetted police unit to gather intelligence, conduct undercover operations, and conduct international controlled deliveries. As a demonstration of both the United States' and Guatemala's commitment to this effort, the DEA has provided funds for the initial startup of this unit, and the Narcotics Affairs Section (NAS), Bureau of International Narcotics and Law Enforcement Affairs (INL) of the Department of State has committed additional funding and support for this initiative.

The Government of Guatemala has realized that the police require investigative tools to accomplish the difficult task of combating drug trafficking organizations operating within their country. An Organized Crime Bill (OCB) in the Guatemalan Congress was introduced that will permit the police to conduct national and international controlled deliveries, undercover operations, conspiracy investigations and Title III intercepts. On March 30th, the Legislature passed the OCB; however, a Presidential Review identified concerns over the decreased penalty portion of the conspiracy law. President Berger has vowed to veto the legislation until the original penalties are reinstated in the bill. The OCB will be revisited once these changes are made.

## **Panama**

Judicially authorized wiretap investigations are legal in Panama, and can be used for investigating a variety of crimes, including drug trafficking. The Panama Attorney General authorizes law enforcement to intercept telephone communications for the purpose of obtaining evidence against the targets of an investigation. The evidence is then presented in a Panamanian Court of Law to assist in the prosecution of the targets of investigation. This evidence can also be shared among law enforcement agencies within the region in an effort to completely dismantle the drug trafficking organization.

The DEA Panama Country Office telephone intercept project is currently being developed by the Office of the Panama Attorney General, the Panama Judicial Police and the United States Embassy in Panama (DEA/NAS). The purpose of the project is to establish an effective, judicial cellular telephone intercept capability in Panama that will facilitate significant international investigations and DEA Priority Target Organization (PTO) cases. We anticipate that this project will be fully operational by June 1, 2006.

## **Conclusion**

Mr. Chairman, the DEA is committed to working both harder and smarter in dealing with the threat of transnational drug trafficking that affects our country. We recognize that joint service interagency, and multi-national coordination and cooperation are essential elements of the President's National Drug Control Strategy. Drug trafficking organizations operating within production countries in South America use the Mexico/Central America corridor as the primary transit zone for illicit drugs destined for the United States. These organizations have the ability to overwhelm the limited defenses of these transit zone countries, and the vast illicit funds available to them enables them to endure, despite anti-drug efforts put forth by countries in Central America. We are working tirelessly to enhance the effectiveness and efficiency of our enforcement operations in the Transit Zone.

We thank you for your continued support of DEA and for the opportunity to testify here today. This concludes my formal statement and I look forward to answering any questions you may have at this time.